

STATE OF INDIANA ) IN THE MARION CIRCUIT/SUPERIOR COURT  
 ) SS:  
COUNTY OF MARION ) CAUSE NO. \_\_\_\_\_

~~32010060~~ 6 PL 23732

STATE OF INDIANA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
RI ACQUISITION, LLC, )  
doing business as )  
BUDDY'S CARPET & FLOORING, LLC, )  
 )  
Defendant. )

**FILED**

(15)

JUN 09 2006

*Donna Anne Scholler*  
CLERK OF THE  
MARION CIRCUIT COURT

**COMPLAINT FOR INJUNCTION,  
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, and the Indiana Home Improvement Contracts Act, Ind. Code § 24-5-11-1, *et seq.*, for injunctive relief, consumer restitution, investigative costs, civil penalties, and other relief.

**PARTIES**

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c) and Ind. Code § 24-5-11-14.

2. The Defendant, RI Acquisition, LLC, doing business as Buddy's Carpet & Flooring, LLC, is a foreign limited liability company engaged in the retail sale and installation of flooring, with a principal place of business in Marion County, located at 8323 East Washington Street, Indianapolis, Indiana, 46219.

## FACTS

3. Since at least March 6, 2002, the Defendant has entered into home improvement contracts with Indiana consumers.

### **A. Allegations regarding a prior Assurance of Voluntary Compliance**

4. The State of Indiana entered into an Assurance of Voluntary Compliance with the Defendant, RI Acquisition, LLC, doing business as Buddy's Carpet & Flooring, LLC, on March 6, 2002. A true and accurate copy of the Assurance of Voluntary Compliance is attached and incorporated by reference as Exhibit "A".

5. Pursuant to the Assurance of Voluntary Compliance, the Defendant agreed to the following provisions:

4. *Respondent agrees, pursuant to Ind. Code § 24-5-11-10, in every home improvement transaction to provide a completed home improvement contract to the consumer before it is signed by the consumer. Respondent agrees that the contract must contain at a minimum the following:*
  - (a) *The name of the consumer and the address of the residential property that is the subject of the home improvement;*
  - (b) *The name and address of the home improvement supplier and each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed;*
  - (c) *The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract;*
  - (d) *A reasonably detailed description of the proposed home improvements;*
  - (e) *If the description required by Indiana Code § 24-5-11-10(a)(4) does not include the specifications for the home improvement, a statement that the specifications will be provided to the consumer before commencing any work and that the home improvement contract is subject to the consumer's separate written and dated approval of the specifications;*

- (f) *The approximate starting and completion dates of the home improvements;*
  - (g) *A statement of any contingencies that would materially change the approximate completion date;*
  - (h) *The home improvement contract price; and*
  - (i) *Signature lines for the home improvement supplier or the supplier's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or a typed version of that person's name placed directly after or below the signature.*
- 5. *Respondent agrees, pursuant to Ind. Code § 24-5-11-11, that before the consumer signs the home improvement contract and before the consumer can be required to make a down payment, the Respondent must have agreed unequivocally by written signature to all of the terms of the home improvement contract.*
- 6. *Respondent agrees, pursuant to Ind. Code § 24-5-11-12, that Respondent shall give a fully executed copy of the home improvement contract to the consumer immediately after the consumer signs it. The contract must also show the dates the Respondent and each consumer executed the contract.*
- 7. *Respondent, in soliciting and/or contracting with consumers, agrees to refrain from conducting any business activity in the State of Indiana unless those activities are in full compliance with the Home Improvement Contracts Act, Ind. Code § 24-5-11-1, et seq.*
- 8. *Respondent, in soliciting and/or contracting with consumers, agrees to fully comply with the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1, et seq.*

**B. Allegations regarding Consumer Mark Denney's Transaction**

6. On or about May 25, 2005, the Defendant entered into a contract with Mark Denney ("Denney") of Elwood, Indiana, wherein the Defendant represented it would install tile at Denney's home for a total price of One Thousand Two Hundred Ninety Dollars and Seventy-Six Cents (\$1,290.76), which Denney paid. Attached and

incorporated by reference as Exhibit "B" is a true and accurate copy of the contract

Denney received.

7. The Defendant failed to include the following information in the contract with Denney:

- a) Each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed;
- b) The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract;
- c) The approximate starting and completion dates of the home improvements; and
- d) Signature lines for the home improvement supplier or the supplier's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or typed version of that person's name placed directly after or below the signature.

**COUNT I - VIOLATIONS OF THE HOME IMPROVEMENT CONTRACTS ACT**

8. The service described in paragraph 6 is a "home improvement" as defined by Ind. Code § 24-5-11-3.

9. The transaction referred to in paragraph 6 is a "home improvement contract" as defined by Ind. Code § 24-5-11-4.

10. The Defendant is a "supplier" as defined by Ind. Code § 24-5-11-6.

11. By failing to provide the consumers with completed home improvement contracts, containing the information referred to in paragraph 7, the Defendant has violated the Home Improvement Contracts Act, Ind. Code § 24-5-11-10.

**COUNT II - VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT**

12. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 11 above.

13. The transaction referred to in paragraph 6 is a "consumer transaction" as defined by Ind. Code § 24-5-0.5-2(a)(1).

14. The Defendant is a "supplier" as defined by Ind. Code § 24-5-0.5-2(a)(3).

15. The Defendant's violations of the Indiana Home Improvement Contracts Act, referred to in paragraph 7, constitutes a deceptive act by the Defendant, in accordance with Ind. Code § 24-5-11-14.

16. Pursuant to Ind. Code § 24-5-0.5-7(b), the Defendant's failure to include the required information in its home improvement contract with Denney, as set forth in paragraph 7, constitutes prima facie evidence of a deceptive act.

**COUNT III - KNOWING AND INTENTIONAL VIOLATIONS  
OF THE DECEPTIVE CONSUMER SALES ACT**

17. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 15 above.

18. The misrepresentations and deceptive acts set forth in paragraphs 6 and 7 were committed by the Defendant with the knowledge and intent to deceive.

## **RELIEF**

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendant, RI Acquisition, LLC, individually and doing business as Buddy's Carpet & Flooring, LLC, enjoining the Defendant from the following:

- a. in the course of entering into home improvement transactions, failing to provide to the consumer a written, completed home improvement contract, which includes at a minimum the following:
  - (1) The name of the consumer and the address of the residential property that is the subject of the home improvement;
  - (2) The name and address of the Defendant and each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed;
  - (3) The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract;
  - (4) A reasonably detailed description of the proposed home improvements;
  - (5) If the description required by Ind. Code § 24-5-11-10(a)(4) does not include the specifications for the home improvement, a statement that the specifications will be provided to the consumer before commencing any work and that the home improvement contract is subject to the consumer's separate written and dated approval of the specifications;

- (6) The approximate starting and completion date of the home improvements;
  - (7) A statement of any contingencies that would materially change the approximate completion date;
  - (8) The home improvement contract price; and
  - (9) Signature lines for the Defendant or the Defendant's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or typed version of that person's name placed directly after or below the signature;
- b. in the course of entering into home improvement transactions, failing to agree unequivocally by written signature to all of the terms of a home improvement contract before the consumer signs the home improvement contract and before the consumer can be required to make any down payment; and
  - c. in the course of entering into home improvement transactions, failing to provide a completed home improvement contract to the consumer before it is signed by the consumer.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendant for the following relief:

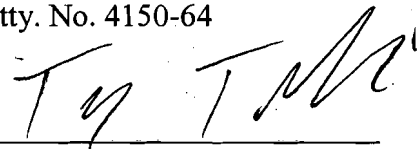
- a. costs pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

- b. On Count III of the Plaintiff's Complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-4(g) for the Defendant's knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- c. On Count III of the Plaintiff's Complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-8 for the Defendant's intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- d. All other just and proper relief.

Respectfully submitted,

STEVE CARTER  
Indiana Attorney General  
Atty. No. 4150-64

By:

  
Terry Tolliver  
Deputy Attorney General  
Atty. No. 22556-49

Office of the Attorney General  
302 W. Washington, IGCS 5th Floor  
Indianapolis, IN 46204  
Telephone: (317) 233-3300



STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

IN THE MARION CIRCUIT COURT

AVC NO. 02-009

IN RE: RI ACQUISITION, LLC, )  
individually and doing business as )  
BUDDY'S CARPET & FLOORING, LLC. )

**FILED**

MAR 08 2002

*Sen A. M. Taylor*  
CLERK OF THE  
MARION CIRCUIT COURT

ASSURANCE OF VOLUNTARY COMPLIANCE

The State of Indiana, by Attorney General Steve Carter and by Deputy Attorney General Terry Tolliver, and the Respondent, RI Acquisition, LLC, individually and doing business as Buddy's Carpet & Flooring, LLC, enter into an Assurance of Voluntary Compliance (Assurance), pursuant to Indiana Code §24-5-0.5-7.

Any violation of the terms of this Assurance constitutes prima facie evidence of a deceptive act. This Assurance is entered into without any adjudication of any issue of fact or law, and upon consent of the parties.

The parties agree:

1. Respondent, RI Acquisition, is an Indiana limited liability company doing business as Buddy's Carpet & Flooring, LLC, engaged in home improvement work, with a principal place of business at 8323 East Washington Street, Indianapolis, Indiana, and transacts business with Indiana consumers.
2. The terms of this Assurance apply to and are binding upon Respondent, its employees, agents, representatives, successors, and assigns.
3. Respondent acknowledges the jurisdiction of the Consumer Protection Division of the Office of the Attorney General to investigate matters hereinafter described, pursuant to the authority of Ind. Code §4-6-9-4 and Ind. Code §24-5-0.5-1 *et seq.*

Blumberg No. 5193

STATE'S  
EXHIBIT

A

4. Respondent agrees, pursuant to Ind. Code §24-5-11-10, in every home improvement transaction to provide a completed home improvement contract to the consumer before it is signed by the consumer. Respondent agrees that the contract must contain at a minimum the following:

- (a) The name of the consumer and the address of the residential property that is the subject of the home improvement;
- (b) The name and address of the home improvement supplier and each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed;
- (c) The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract;
- (d) A reasonably detailed description of the proposed home improvements;
- (e) If the description required by Indiana Code §24-5-11-10(a)(4) does not include the specifications for the home improvement, a statement that the specifications will be provided to the consumer before commencing any work and that the home improvement contract is subject to the consumer's separate written and dated approval of the specifications;
- (f) The approximate starting and completion dates of the home improvements;
- (g) A statement of any contingencies that would materially change the approximate completion date;
- (h) The home improvement contract price; and
- (i) Signature lines for the home improvement supplier or the supplier's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or a typed version of that person's name placed directly after or below the signature.

5. Respondent agrees, pursuant to Ind. Code §24-5-11-11, that before the consumer signs the home improvement contract and before the consumer can be required to make a down payment, the Respondent must have agreed unequivocally by written signature to all of the terms of the home improvement contract.

6. Respondent agrees, pursuant to Ind. Code §24-5-11-12, that Respondent shall give a fully executed copy of the home improvement contract to the consumer immediately after the consumer signs it. The contract must also show the dates the Respondent and each consumer executed the contract.

7. Respondent, in soliciting and/or contracting with consumers, agrees to refrain from conducting any business activity in the State of Indiana unless those activities are in full compliance with the Home Improvement Contracts Act, Ind. Code §24-5-11-1 *et seq.*

8. Respondent, in soliciting and/or contracting with consumers, agrees to fully comply with the Deceptive Consumer Sales Act, Ind. Code §24-5-0.5-1 *et seq.*

9. Upon execution of this Assurance, Respondent shall pay costs in the amount of Five Hundred Dollars (\$500.00) to the Office of the Attorney General.

10. Respondent shall not represent that the Office of the Attorney General approves or endorses Respondent's past or future business practices, or that execution of this Assurance constitutes such approval or endorsement.

11. Respondent shall fully cooperate with the Office of the Attorney General in the resolution of any future written complaints the Consumer Protection Division receives.

12. The Office of the Attorney General shall file this Assurance with the Circuit Court of Marion County. The Court's approval of this Assurance shall not act as a bar to any private right of action.

DATED this 14 day of February, 2002.

STATE OF INDIANA

STEVE CARTER  
Attorney General of Indiana

By:

Terry Tolliver  
Terry Tolliver  
Deputy Attorney General  
Atty. No. 22556-49  
Office of Attorney General  
402 W. Washington, 5th Floor  
Indianapolis, Indiana 46204  
Telephone: (317) 233-3300

RESPONDENT

RI ACQUISITIONS,  
individually and doing business as  
BUDDY'S CARPET & FLOORING, LLC.

By:

[Signature]  
Title: Chief Financial Officer

Printed Name: Roger Fson

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

William T. Lawrence  
Judge, Marion County Circuit Court

BUDDY'S CARPET & FLOORING  
3714 S REED RD.  
KOKOMO, INDIANA 46902  
PH# (765)453-4950  
FAX (765)453-2616

\*\*\* S A L E S   A G R E E M E N T   \*\*\*

----- Bill To -----  
Attn:  
DENNEY MARK

----- Ship To -----  
Contact:  
DENNEY MARK

2-5062

Cust P.O.#:  
Br:KO Cust. ID: DENN5062 Job#:610077 Spec Instr: NO PAY 2007  
Printed: 5/31/2005 4:44 PM KOM1

Product/Style	Color/Type	Sale Qty.	Price	Extension
SIERRA MO 12X12	SILVER 1713	64.60	2.134	137.86
CERAMIC TILE/SF	64.60 SF = 4box =	6.004 MQ		
REG INSTALL	SF CERAMIC LABOR	64.60	6.964	449.87
BACKERBOARD 1/2	CEMENT BOARD	5.00	18.450	92.25
INSTALL-BASEBOARD	LF CERAMIC LABOR	40.00	2.321	92.84
R & R-TOILET	EA CERAMIC LABOR	2.00	104.455	208.91
TAKE UP-UNDERLAY	SF CERAMIC LABOR	64.60	2.321	149.94
GROUT SANDED 25#	DOVE GRAY 370	1.00	22.730	22.73
GROUT SEALER 1QT	620653	1.00	17.110	17.11
18MO DEFERRED INT		1.00	.000	.00

NO PAY JAN 2007  
THINSET GREY 50#      GREY      2.00      23.095      46.19  
THANK YOU

TILE      CAULK      EARTH 105  
THANK YOU

1.00 EA - DARK OAK  
Lip Reducer

** PROPOSAL AMT **	SUBTOTAL	SALES TAX	GROSS TOTAL	DEPOSITS	AMT DUE
	1,217.70	73.06	1,290.76	0.00	1,290.76

Buddy's Carpet & Flooring LLC (supplier)

Customer Signature: Mark Denney

By: [Signature]





## Buddy's Carpet Labor Warranty, Installation Checklist and Warranty Claims Procedures

Congratulations on your new floor covering purchase. Buddy's wants the installation of your new flooring to be a satisfying and pleasurable experience. In order to accomplish our goal, you need to be advised of Buddy's and your respective responsibilities prior to installation and throughout the warranty periods.

### To Help Prepare for your New Flooring Installation:

- Remove all breakable items such as antiques, lamps, ashtrays and vases even if the items are on your wall in the installation area. These are your valued possessions and Buddy's does not want to chance an accident. We are not professional movers and can not be responsible for breakage to these types of items.
- Disconnect entertainment centers, stereo systems, cable connections and alarm systems. Any hidden wiring or cords or special circumstances are your responsibility to disclose to our installers prior to installation.
- Empty bookcases, china cabinets, hutches and dressers.
- Clear floor areas and closets that are to be covered.
- Remove bed linens and secure floor length drapes off the floor.
- Be sure to arrange for the removal of grandfather clocks, organs and pianos, drain and disassemble waterbeds and aquariums and slate pool tables. The installers will not bring the necessary equipment to move these items unless specified on your order as an extra charge service. Buddy's does not guarantee the moving of these items and recommends that you make separate arrangements with professional movers for these items.

### Furniture Agreement

We are continually striving to better our services to all customers and in order to accomplish this, we need your help.

We appreciate that you have decided to have your furniture moved before installation. Furniture removal makes a big difference in how we assign jobs and allot time to install your carpet and proceed to the next job. Please understand that unexpected delays affect the installers remaining schedule for the day.

You have agreed to remove 100% of your furniture and furnishings from the installation area. You hereby understand that if the installation area is not free from furniture and furnishings, you will be charged to remove the furniture and that you consent to this additional charge and will pay the installer prior to the installation of the carpet.

You understand that the installer is responsible to install material in areas that are ready when they arrive at your home and they can not wait for furniture to be moved to continue the job. Should you be unable to have all furniture moved in advance, your job may need to be scheduled on two different dates.

INITIALS: MAO

### Take Up Agreement

We are continually striving to better our services to all customers and in order to accomplish this, we need your help.

We appreciate that you have decided to remove your existing flooring before installation. Take Up makes a big difference in how we assign jobs and allot time to install your carpet and proceed to the next job. Please understand that unexpected delays affect the installers remaining schedule for the day. You hereby understand that if the installation area does not have the existing materials removed, you will be charged to remove the existing materials and that you consent to this additional charge and will pay the installer prior to installation of the carpet.

You understand that the installer is responsible to install material in areas that are ready when they arrive at your home and they can not wait for you to take up the existing material to continue the job. Should you be unable to have the existing material removed totally, you may need to be scheduled on two installation dates.

When removal of old flooring reveals problems that could not be seen, such as bad concrete or sub-floor, un-level surfaces, separated boards, multiple layers of flooring, etc., you must contact your Buddy's sales representative before we can install the flooring. We will install your job only if it can be done properly. Please understand that there will be additional charges for any labor and materials needed to complete the installation properly.

INITIALS: MAO

Please be advised that the Items listed below are not included in Buddy's installation procedures. Arrangements for these services are the responsibility of the purchaser.

- Cutting doors to clear new carpeting. Many times, the installation of new flooring will prevent doors from swinging freely. A door service can be found in the Yellow Pages.
- Removing and re-installing commodes or other plumbing fixtures. Our installers will charge an extra fee for this service if required, and the invoice must reflect this charge. Commodes must be cleaned and sanitized before we will remove them.
- Removal of old resilient flooring over your existing floor may contain asbestos. We can install new vinyl flooring over your existing flooring after some floor preparation. If the removal of an existing floor covering becomes necessary during the installation, you will have to arrange for this work to be done by a certified abatement company.
- Dis-connecting or re-connecting ice-makers, gas or water hook-ups, washers and dryers, dishwashers and stoves. If included on your order as a separate charge, installers will move disconnected appliances, but will not be responsible for re-connecting them. It is the purchaser's responsibility to move water heaters.
- Hauling away old carpet. Installers will cut your carpet into smaller pieces and place it where you specify but due to health regulations, they cannot haul it away for you.
- Re-installing quarter round, baseboards and cove base moldings. We will remove these items, but cannot be held responsible for re-installing. Frequently, these moldings which have been installed for several years cannot be satisfactorily re-installed and may break, paint may chip, minor dents and cracking may occur during removal. Therefore, Buddy's does not assume any responsibility for minor damages. We will be as careful as possible.

Mark A. Jones  
Customer Signature

Please note that the following conditions may arise immediately after installation:

- **Roll marks.** There may be shading of lines across the width of new carpet. These impressions are the result of the weight of the carpet resting on itself in storage. These will disappear over the first month or so with normal vacuuming and foot traffic.
- **Seams.** Seams are professionally installed, in conformity with industry standards, but seams are not invisible. Some materials hide seams better than others. Seams will be placed at the discretion of the installer and/or store manager, unless otherwise specified by the customer in writing, prior to the ordering of the carpet. We will use the utmost care in making your seams. All seams are placed pursuant to industry customs and standards. Buddy's is not responsible for pattern match where seamed.
- **Bubbles.** You may notice small bubbles or bumps from under your new vinyl floor. This is normal and they should disappear within three to four weeks.
- **Shedding.** Your new carpet may shed small bits of fiber for up to six months. Do not be alarmed if your vacuum fills up quickly. This is normal for most carpets.
- **Woodwork and Walls.** Our installers will attempt to avoid damage to your walls or woodwork while delivering and installing your new floor. Some scuffing of walls, woodwork or wallpaper may be unavoidable. We cannot be held responsible for minor touch-ups that may be required.

#### Warranty Information

I have received all the appropriate warranty information concerning my carpet purchase from the carpet mills and Buddy's.

[REDACTED] This warranty covers carpet that remains installed in the original owner occupied residence. This warranty applies to residential (non-commercial) installation of new carpet purchased from and installed by Buddy's Carpet and installed over Buddy's Carpet approved pad or direct-glued to customer's floor. Types of service covered under the terms of this warranty includes seams which gap, re-stretching of carpet which wrinkles and replacement or repair of transition materials (vinyl strips, metals, etc.) which become loose.

- This warranty does not apply to repairs necessitated by abuse, flooding, pet stains, improper cleaning, and/or maintenance, customers own repair or removal of carpet to install stereo wires, cable, phone wires, etc. This warranty does not apply when carpet is installed over the customer's existing pad or old carpeting. Consequential or incidental damages resulting from installation services or delays are not covered by this warranty and thereby not compensable.

#### Vinyl, Ceramic, Laminate and Wood Flooring Warranty

[REDACTED] This warranty applies to residential (non-commercial) installation of said flooring purchased from and installed by Buddy's over underlayment or substrate installed by Buddy's. This warranty does not apply to installation of flooring over customer installed underlayment or customer prepared substrate.

- This warranty does not apply to repairs necessitated by abuse, flooding, improper maintenance and/or cleaning, foundation settling or sub-floor movement. Consequential or incidental damages resulting from installation services or delays are not covered by this warranty and thereby not compensable.

#### Manufacture and Installation Defects and the Claims Procedure

[REDACTED] may be in your possession for the claimed defect.

[REDACTED] copy of miller findings which shall be binding on them in regard to any adjustment under this contract or in the event of any litigation.

#### Refunds, Credit Cards, and Miscellaneous Provisions

- Any material that Buddy's and/or an independent inspector determines to be defective and under any specific warranty will be replaced with the same or like material. No cash refunds will be made for defective material.
- No credit card adjustments will be made for defective material. All defective material shall be replaced as stated above, and no cash or credit card adjustments shall be made thereto.
- COD's are to be paid to the installer upon completion of the installation.
- All check refunds will be processed by our home office and mailed to your home within thirty (30) days.
- All special orders from the mills/suppliers/distributions take approximately fourteen (14) to twenty-one (21) days from the date of order.
- Every customer must sign the retail installment contract prior to installation.
- Today's shoes with heels can apply a tremendous amount of pressure, which in turn, can cause indentations in your flooring. Use caution when wearing shoes and walking across your new flooring.
- When black adhesive is found when removing old flooring, Buddy's will either not install the job, or install new flooring but not warrant or be responsible for any problems that occur such as the adhesive bleeding through or the cracking and popping sounds.
- Buddy's assumes no responsibility and does not warrant carpet installed outdoors.
- Buddy's does not guarantee nor assume that carpet ordered will match floor samples. All colors are within carpet mill standards for color variation. Further, Buddy's is not responsible for pattern match where the flooring has been seamed.
- In the event of a cancellation by the customer, after the material has been cut or specially ordered for the customer from any mill or supplier, customer agrees to pay, as a form of liquidated damages, a sum equal to twenty-five percent (25%) of the total purchase price. In the event of cancellation by customer after removal of customer's carpet, Buddy's is not responsible for re-installation of customer's flooring nor the return of the flooring if removed from your home.

We have read the above document and we agree to the terms, conditions and warranties stated therein.

*Mark A. [Signature]*  
Customer Signature

Dated: 5/25/05

Customer Signature

Dated:

## Terms and Conditions of Sale

- All work will be installed by independent subcontractor installers and shall be completed in a workmanlike manner in conformity with the Carpet and Rug Institute Standards.
- Buddy's does not guarantee the time of installation or delivery. All deliveries and installations will be made at the Installer's and Buddy's discretion.
3. Buddy's is not responsible for cutting or adjusting doors. Many times, the installation of new flooring will prevent doors from swinging freely. A door service can be found in the Yellow Pages.
  4. Buddy's assumes no liability or responsibility for the condition of the customer's sub-floor, unless sold and installed by Buddy's. Buddy's shall have no responsibility or liability for the customer's installed or independently installed sub-floor showing through after the installation of flooring materials. When removal of old flooring reveals problems that could not be seen, such as bad concrete or sub-floor, unlevel surfaces, separated boards, multiple layers of flooring, etc., you must contact your sales agent before we can install the flooring. We will install your job only if it can be done properly. Please understand there may be additional charges for any labor and material needed to complete the installation properly.
  5. Our independent installers will make all reasonable efforts to avoid damage to your walls, woodwork and moldings while delivering and installing your new flooring. Some scuffing of walls, woodwork or wallpaper may be unavoidable. We cannot be held responsible or liable for minor touch-ups that may be required.
- Installation must be inspected at the time of completion. Any complaints of defects in workmanship or materials must be reported to Buddy's in writing within two weeks. In case of a claim for manufacturer or installation defects, Buddy's reserves the right, upon reasonable notification to you, to inspect, test, or sample any goods which may be in your possession for the claimed defect. In the event of any claim or dispute arising under this contract, an independent inspector shall make an inspection of the goods and shall furnish each party to the contract with a copy of his/her findings that shall be binding with respect to any adjustment under this contract or in the event of any litigation arising hereunder. Buddy's will assist the customer in any claim based upon warranty defects in material sold. Any material that Buddy's and/or an independent inspector determines to be defective and under any specific warranty will be replaced with the same or like material. No cash refunds will be made for defective material. No credit card adjustments will be made for defective material. All defective material shall be replaced as stated above, and no cash or credit card adjustments shall be made thereto.
8. Shading, shedding, fluffing or roll marks are the result of the weight of the carpet resting on itself during shipment. These will disappear over the first month or so with normal vacuuming and foot traffic, and therefore, are not covered under any warranties.
  9. Seams are professionally installed, in conformity with the Carpet and Rug Institute standards, but seams are not invisible. Some materials hide seams better than others. Seams will be placed at the discretion of the installer and/or store manager, unless otherwise specified by the customer in writing, prior to the ordering of the flooring material. All seams are placed pursuant to industry standards and customs. Buddy's is not responsible for pattern matches where seamed.
  10. No payment by customer or receipt by Buddy's of a lesser amount than the balance due herein shall be deemed to be other than on account of the most current balance due and owing at that time, nor shall any endorsement or statement on any check or letter accompanying any check or payment on account be deemed an accord and satisfaction or limit customer's obligations.
  11. At the customer's request, the installer will cut your old flooring material into smaller pieces and place it where you reasonably specify, but due to health regulations we are prohibited from hauling it away for you.
  12. Cash on Delivery (COD) are to be paid to the installer upon delivery of the flooring material.
  13. All check refunds for credits due will be processed from our corporate office and mailed to your home within fifteen (15) working days.
  14. All special orders from mills/suppliers/distributors take approximately fourteen (14) to twenty-one (21) days from the date of order.
  15. Every customer must sign the retail installment application and contract prior to the installation.
  16. Buddy's assumes no responsibility and does not warrant carpet installed outdoors.
  17. Buddy's does not guarantee, nor assume, that carpet will match floor samples. All colors are within carpet mills standards for dye-lot color variation.
  18. In the event of a cancellation by the customer, after the material has been cut or specifically ordered for the customer from any mill/supplier/distributor, customer agrees to pay, as a form of liquidated damages, a sum equal to twenty-five percent (25%) of the total purchase price. In the event of cancellation by the customer after removal of the customer's carpet, Buddy's is not responsible for re-installation of the customer's flooring nor the return of the flooring if removed from your home.
  19. You have received the appropriate warranty information concerning your flooring purchase from the carpet mills and Buddy's.
  20. In the event that Buddy's shall be delayed or hindered in, or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, adverse weather conditions, inability to procure materials, mechanical failure, failure of power, restrictive governmental laws and or regulations, riots, insurrections, war or other reason of a like nature, not the fault of Buddy's in performing work or doing acts required under the terms of the contract, then the time allowed for performance for such act shall be extended by a period of time equivalent to the period of such delay.
  21. Since all rooms are not square, flooring material with pattern matches will be located at the installer's discretion. In the event that the customer wishes to have installation other than as directed by the installer, the customer shall be responsible and liable for the pattern match within said room.
  22. Flooring material held by Buddy's with an initial deposit or on a "Will Call" basis with a deposit will be held for only sixty (60) days after notice has been given to you. After the sixty (60) day period, Buddy's shall have the right as its sole discretion to void the transaction, to continue to hold the flooring material and/or dispose of the flooring material and retain the initial deposit or deposits as liquidation damages.
  23. If the invoice is based upon the customer's measurements or blueprints, Buddy's is not responsible for the accuracy of such measurements. The estimated price on the invoice shall be adjusted if the actual measurements vary from those submitted. No sales are final until approved by the store manager after measure.
  24. Failure to make a complete payment to Buddy's when due or upon completion of the installation of the flooring materials is a default under this Invoice/Contract. The customer agrees and consents to pay to Buddy's Carpet and Flooring, LLC interest on the past due balance at the rate of Eighteen Percent (18%) per annum, starting on the date payment was due and owing, plus attorneys fees, court costs, collection fees and any other damages awarded by the Court in collection of this debt.